

# THE Nation's Business

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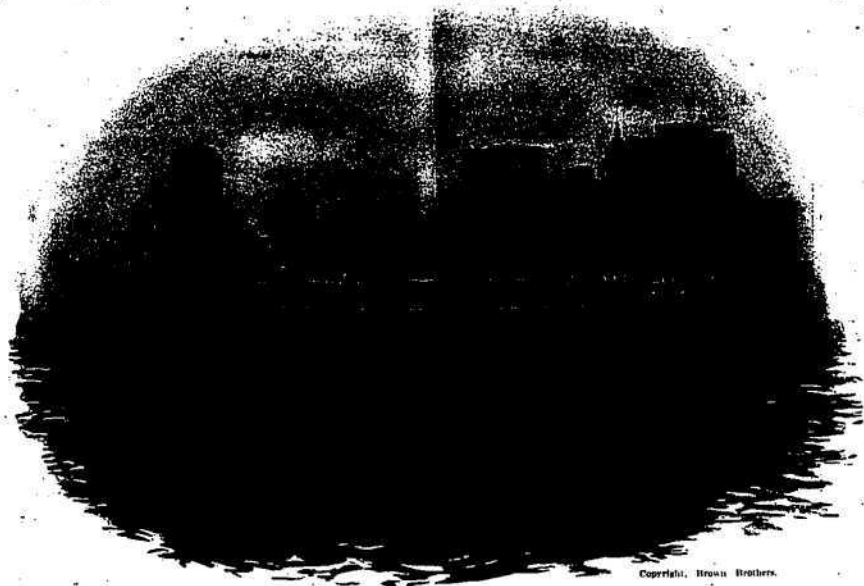


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What Is the American Merchant Marine?  
Two New Referenda of the National Chamber  
How Shall We Meet the Menace of "Dumping"?

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ONE DOLLAR A YEAR

# THE NATION'S BUSINESS



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THE NATION'S BUSINESS is the official monthly publication of the Chamber of Commerce of the United States of America and, as such, carries authoritative notices and articles in regard to the activities of the Chamber, its Board of Directors and Committees. In all other respects it is a magazine for business men and the Chamber is not responsible for the contents of the articles or for the opinions to which expression is given.

NOVEMBER, 1915

## COMMERCE IN THE MONTH'S NEWS

**T**HE Annual Meeting of the National Chamber—the fourth assemblage of this national convention of business men—is still more than two months away, and it has not yet been possible to announce definitely the program of subjects and speakers for that occasion. Nevertheless, more interest in the meeting is already being shown than in any preceding meeting. From present indications, also, there will be a much larger attendance. Plans are being made in different sections of the country for special trains for the delegation. During the past year the Chamber has steadily increased its membership and this, in itself, provides for additional delegates. The main reason for a record-breaking attendance, however, is found in the fact that the meeting takes place at a most critical juncture in our national business history. During the long session of a new Congress which will be devoted largely to measures of vital importance to commerce and business. The annual meeting of the National Chamber is coming to be more and more recognized as the forum in which the business men of America discuss the vital problems confronting American commerce.

The Coming  
Annual  
Meeting

**T**WO referenda have just gone out to the members of the National Chamber, one on the second report of the Chamber's committee on the Department of Commerce, the other on the economic results of war in their relation to American business. The recommendations of the Chamber's committee favoring the extension of the activities of the Bureau of Foreign and Domestic Commerce and the Consular Service we treated liberally in an article in these pages last month. To the referendum on the terms of the settlement of war, we give more attention in an article in the present number.

**I**N time of peace, prepare for war" is the old adage. Just now the world is reversing it and saying "In time of war, prepare for peace." The peoples of all the belligerent countries, as well as those of the neutrals, are alike setting their minds on peace and its problems of social, political and economic reconstruction. At the close of the present war, international interests and necessities will make certain the creation of an entirely new tariff situation

Two New  
Referenda

In Time of  
War Prepare  
for Peace



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in Europe. There will be new political and economic alignments, new groupings and alliances, all cemented by new commercial treaties and tariffs. In these new alignments we will not be included unless we see to it ourselves. The groups that grow out of the war will favor their own members and discriminate against their rivals and former enemies. There will be entirely new commercial relationships resulting from the present war. It seems likely that all neutrals will suffer, particularly important commercial nations like our own. The results will affect us whether we will or no. This country can no more keep out of the coming world readjustment in commercial relations than it could keep out of the financial and trade upheaval of the war itself. The derangement of trade occasioned by the British Orders in Council (so exhaustively summed up in the note sent by Secretary Lansing to the London government on October 21) and the German submarine campaign are now matters of history.

\* \* \* \* \*

**M**ANY American manufacturers are urging the necessity of some measure to protect our industries against the dumping of cheap goods which they believe will mark the beginning of

How Shall  
We Protect  
Ourselves?

the world trade war after the nations have made the military peace. In an article on another page of THE NATION'S BUSINESS this month the question of dumping is treated in detail. It may be that this problem can be handled by the Federal Trade Commission. If this body has not now the necessary power, it seems possible that Congress may be asked to give it such jurisdiction. A higher tariff is demanded by some, while others merely urge an emergency provision. A non-partisan tariff commission, for which the National Chamber has always contended, could be made of great assistance. Whatever difference of opinion there may be as to the kind of a tariff necessary for our country, there should be none as to the method of making it.

**A**T the same time, we note the beginning of an agitation among leading business men who are interested in the development of foreign trade for the revision of our commercial treaties and the negotiation of new ones. Such trade agreements with Russia and Spain are in process of completion, and a special committee of the National Chamber is now at work arranging details for cooperation with the State Department. American business men have been slow to realize the truth that modern tariff making is a matter of adjustment by years of diplomacy, with concessions here and concessions there. Tariffs and commercial treaties in Europe are really elaborately and skillfully worked out bargains. In international bargaining we must rely more and more upon diplomacy, backed up by a knowledge of conditions, such a knowledge as the American business man does not ordinarily possess but which it is one of the aims of the National Chamber of Commerce to help supply. At the end of the war it will in all probability be necessary for the United States to negotiate a number of new commercial treaties. Our reciprocity agreements are practically dead, and the "most favored nation" clauses of old treaties will probably no longer avail. We must begin much of our international life anew.

\* \* \* \* \*



*In the Steps of Our Forefathers*

—J. H. Donahy in the Plain Dealer (Cleveland)

A Word  
About Our  
New Form

**I**N its new form THE NATION'S BUSINESS greets its readers, with appreciation of their interest and cooperation in the past, and with a renewal of devotion to the ideals of the National Chamber. We believe that, in the form of a regular magazine, we shall be better fitted to serve the Chamber and its membership, as well as American business in general, than has been possible in the larger and more unusual size of page in which the publication has heretofore appeared. The new form has been worked out under the advice of the best authorities on typography and magazine making. Comment from our readers will be welcome.



An Historic World Peace Congress—The Second International Conference at The Hague in 1907

## Two New Referenda of the National Chamber

### Improving Our Commercial Service Abroad and Helping to End War

**T**WO new referenda went out to the members of the National Chamber about the middle of the present month. The Chamber's special committee on the Department of Commerce makes its second report on the extension of the scope and activities of the Bureau of Foreign and Domestic Commerce which it recommends. This report was the subject of a long article in *THE NATION'S BUSINESS* for October, entitled "Improving Our Commercial Service Abroad." The second referendum, considering the means of securing a settlement of international disputes without resorting to war, is cast in the form of a series of recommendations to which it is suggested the United States subscribe.

The questions upon which the members of the National Chamber are asked to vote with regard to the improvement of our commercial representation include an increase in appropriations for the administration of the Washington headquarters of the Bureau of Foreign and Domestic Commerce; increased appropriations for the field service in Latin-America; the appointment of five new commercial attaches, the creation of the new position of trade commissioner and the appointment of six commissioners; new appropriations for the maintenance of the eight district offices of the Bureau; putting the Bureau's entire field service under civil service provisions; development of the Consular Service with new consulates and provision for equalization of consul's salaries to differences in the cost of living in different parts of the world; gradual but complete Americanization of the service and adequate clerical assistance at every consular office transacting important business.

#### *We Must Substitute Law for War*

The proposals to end war in the future, or at least to make it as nearly impossible as human effort can proceed from various motives,—social, sentimental, and material. Until the present day, business men have not discussed practical methods for the prevention of war. Since, however, the European conflict began, the peaceful neutral world has

begun to realize that there may be within its reach a means of preventing future conflicts in a general understanding to formulate public opinion and to use economic pressure against nations or peoples which refuse to listen to the voice of reason and conciliation.

American business men very generally have come to recognize the world's imperative need to substitute law for war. They realize also the stake of every American citizen and particularly of American business men in the prevention of future wars. In addition to the fact that they have in common with the rest of us their own lives and happiness at great hazard, there has also been confided to the keeping of these men of commerce the material interests of the country.

#### *How Business Men May Help*

The present war has taught American business men that, such is the solidarity of mankind, a great world war affects materially the entire world.

We cannot escape if we would, we would not if we could. The call of women and children, of the helpless and the weak, suffering indescribably from needless war, is an irresistible compulsion to all Americans and not least to American business men.

These words are the final appeal in the report of the Committee of the Chamber of Commerce of the United States, submitted to the business men who make up its members, for their vote on the suggested program offered for the possible settlement of future wars.

This referendum of American business opinion deals convincingly with the economic results of the present European war and American business and makes some concrete suggestions looking toward the prevention of future wars.

#### *The Committee's Recommendations*

There are six questions presented by the Committee for the opinion of the American business man. These are in the form of recommendations by the referendum committee. The first is that some action at the initiative of

the United States be taken at once to secure conferences among neutral countries for the purpose of defining and formulating rules to give due protection to life and property upon the high seas. This deals with the necessity for a more comprehensive and better defined sea law. The second suggestion is that for the decision of questions that arise between nations and which can be settled upon the application of established rules or a determination of facts, the United States should take the initiative in joining with other nations in establishing an international court.

#### *A Council of Conciliation*

The third suggestion is that, when questions arise which do not depend upon such established rules or upon facts which can be determined by an international court, the United States should propose to other nations an international Council of Conciliation. In the fourth place, it is recommended that our country should suggest an international agreement to bring concerted economic pressure to bear upon any nation or nations which, without first submitting differences to the Court or the Council, should resort to military measures. International conferences for the better establishment and the progressive amendment of international law and the organization of a system of commercial and financial non-intercourse to be followed by military force if necessary upon outlaw nations and peoples, are also recommended.

#### *The Settlement May Affect Us*

There can be no doubt that after the European war, in the event of an unsatisfactory settlement, there will be a number of serious economic and industrial factors to be faced. The report of the National Chamber's Committee as set forth in the referendum pamphlet summarizes these as follows:

1. A reduction of purchasing power in Europe and indirect reduction thereby of purchasing power in other countries; for instance, if Brazil cannot sell as much coffee to Europe her purchasing power in other countries will be proportionally limited.
2. A shortage of the world's available capital due, (a) to sheer destruc-

tion, (b) to the great uncertainty as to the future, (c) to the need for settling certain of the war debts, and (d) preparing for further war,—the whole tending to raise the price of capital the world over and limit notably its employment in the lesser countries.

3. A decline in the European standard of living and perhaps of wages, rendering possible a lower-priced production, which will create a costly world-wide disturbance of industrial conditions.
4. Increasing hostile protective tariffs on the part of the fighting countries, due, first to a desire to find a source of taxation, and secondly to the desire to make the country imposing it as self-sufficing as possible in manufacture of food, as a military measure.

As a direct result of a period of unrest and uncertainty following a settlement in Europe, which would not settle, the United States will

"not be free to determine what increase, if any, she will make in her armaments, but may be forced into an abnormally great increase with correspondingly abnormal tax and other burdens. The possibility of a growing revolutionary spirit in Europe due to every seriously increased burdens on the masses with reactions on certain sections of American labor is not to be disregarded."

#### *American Business Men Concerned*

Even the selfish interests of the nations fighting at present will compel them at the close of the war to favor the "greatest practical substitution of law for war by the creation of international tribunals." It will be practically impossible for the United States to keep out of a movement of this vital significance to the entire world. We are no longer isolated; our interests are as wide as the human race and there will be no disputing that American business men in common with business

men all over the world are beginning to realize that "war fundamentally injures the business structure and the trained power of the successful business men to accomplish results and this realization has created in them the will for more lasting peace."

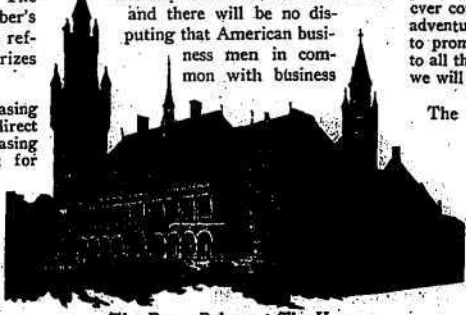
#### *Some Arguments Pro and Con*

The committee's report itself contains arguments in favor of the recommendations it puts forth. Some further considerations in opposition which may be deserving of attention are given in a later page of the pamphlet. They revolve around the possible danger in applying economic pressure and, later, military force to compel nations to "reason it out together."

The committee's report, in closing its recommendations, refers to the present time as the opportunity for the United States to be of great benefit to mankind by influencing such a settlement of the war and peace question. It then says:

There is little real hope for success if the United States is not a part of it. For it is being demonstrated by this war that success in modern war depends largely on adequate supplies of ammunition and other war materials. Of these, the United States is capable of the largest and least interrupted production. If, at the close of the war, there exists the legalized purpose of the United States to join in the work needed to enforce peace, there will be a most practical reason to expect success for this so necessary step forward. In fact the beginning of the necessary organization may be in existence at that time by reason of agreement between the United States and some of the neutral nations of South America and Europe. It is a great opportunity, perhaps the greatest that has ever come to any nation. It is a great adventure, practically within our power to promote,—an enterprise that appeals to all that is best in us,—an opportunity we will not miss.

The personnel of the committee which prepared this referendum is such as to inspire the greatest confidence in its breadth of view and high-mindedness. Forty-five days are allowed to the member organizations to vote on these questions. This will close the voting on December 30.



*The Peace Palace at The Hague*



# A National Convention of Business Men

## A Forecast of the Fourth Annual Meeting of the National Chamber

**A**T a most critical moment in the history of American business, the Chamber of Commerce of the United States will hold its fourth annual meeting in the capital city on February 8, 9 and 10. This annual convention of business will assemble to deliberate over the condition of trade and the world happenings that materially affect it. Its sessions cannot fail to interest and concern every American business man.

### *Executive Committee Meeting*

The Executive Committee of the National Chamber met on November 22 and 23 chiefly for the purpose of considering the Annual Meeting and discussing the program. The plan is for a larger meeting than ever before, in the belief that American business men, realizing the critical situation of business and the importance of the session of Congress then at work, will wish to attend in larger numbers.

Each organization has been requested to send a full set of alternates as well as delegates. This would provide for double the attendance of earlier meetings, in addition to the increased number due to the natural growth of the Chamber. At the last annual meeting, February 3, 4 and 5, 1915, there were 500 National Councillors and delegates in attendance.

### *Place and Date of the Meeting*

As at present planned, the meeting will be held, as in former years, in the ball room of the New Willard Hotel, on February 8, 9 and 10, 1916. It is expected that this room will accommodate the gathering, although it is possible that for the more important meetings, it may be necessary to transfer the sessions to a larger hall.

### *Gathering of the National Councillors*

On the day before the Annual Meeting, that is on February 7, at 2 p. m., the National Councillors, one from each organization, will meet at the New Willard. Each organization has been requested to confirm the appointment of councillors who have already served or to appoint new ones before this meeting. The councillors meet to

consider the program prepared by the Board of Directors and pass upon it finally. They also choose a nominating committee.

This committee, composed of one member from each State, ten members at large representing national organizations, one member to represent the insular possessions of the United States, and one to stand for the organization members of the Chamber in foreign countries, shall meet at the call of the President to name candidates for the Board of Directors "equivalent in number to those whose terms expire at the annual meeting then in session."

### *A Forecast of the Program*

Although it is as yet too early to give a final list of subjects or to announce speakers, a special Committee on Program has been appointed and considerable preliminary work has been done. The plan is to have the meeting open at the New Willard on February 8 at 10 a. m., allowing the earlier part of that morning for registration. The first session as usual will be given up to routine business, the appointment of committees, the adoption of rules of convention, the submission of the reports of the Board of Directors and the Treasurer, in printed form. The feature of the occasion will be the address of President Fahey, delivered just before the adjournment of the morning session.

The afternoon session on Tuesday at 2 p. m. will consider the reports of committees. Among those expected to present reports are the committees on Merchant Marine, Seamen's Law, and Tariff Commission. According to the present plans, the evening session (beginning at 8 o'clock), will be devoted to addresses by prominent government officials and others. Among the subjects certain to be considered is vocational education. Wednesday morning will be devoted to the subject of foreign trade, with addresses and discussion.

### *Election of Officers*

The election of officers and action on the report of the Committee on

Resolutions will fill up the morning of Thursday the last day of the meeting. The members of the Chamber have been notified that resolutions to be considered at this meeting must be sent in at least forty days in advance. Such resolutions will go to the Committee to be appointed at the opening session and to report on Thursday morning.

The entire afternoon of this last day will be given to the discussion of the subject of National Defense. It is fully expected that the Secretary of War will make the opening presentation of the matter. The report of Chamber's Special Committee on National Defense will then be brought in for discussion. The last day will be finished up with the regular annual banquet in the evening.

This glimpse at the projected program will show the importance of the meeting and the general nature of the subjects to be discussed. At this time, however, it should be understood that changes are to be expected. The convenience of the speakers must be consulted and other changes may be found necessary.

### *Rules of Procedure Adopted*

At this meeting this month, the Executive Committee paid special attention to the rules of convention to be submitted on behalf of the Board of Directors at the opening session. The matters of representation and voting received careful attention. One rule of great importance which was adopted should receive advance notice, since it changes past practice and has an important bearing on the delegations. The Committee holds that the By-Laws of the Chamber do not permit of one delegate representing more than one organization. This will be equally true of the National Councillors who are delegates as well.

This gathering of the representative business men from all over the Nation to consider the problems which press for settlement, some of them undreamed of when Congress last met, is bound to be of great significance. Every business man who possibly can do so will want to be present.

# What Detroit is Doing for the Immigrant

The Problem of an Industrial City and How it is Being Met\*

**D**ETROIT is known the world over for its industries. It is Detroit's factories which have attracted the immigrant. Indeed, the great industrial development of the city was only made possible by immigration. It is a question whether the city could have made its annual manufacturing output of \$410,000,000 without the immigrant.

The industrial growth of Detroit has been actually accompanied by an immigrant invasion, of every tongue, of every race and of every class. According to the Census of 1910, out of a total population of 465,766, thirty-three per cent (156,565) of the people of Detroit were foreign-born.

Another fact is even more significant. Seventy-four per cent (344,820) of the population were either foreign-born or children of foreign-born parentage (one or both parents being foreign-born). There was, therefore, at that time only twenty-four per cent (115,106) of the population who could really call themselves native Americans of native parentage. The annual increase of immigration in Detroit since 1910 has been very great. The local Federal Immigration Inspector estimates that at least fifty per cent of the immigrants coming into the State of Michigan are destined for Detroit. Taking a conservative figure, we can safely say that the annual increase of population due to immigration is not less than 15,000. Of course, the present European war has stopped the incoming tide for the present. This gives Detroit an opportunity to develop a community program of Americanization of its present large foreign-born population, which renders it tempor-

arily free from annual immigration.

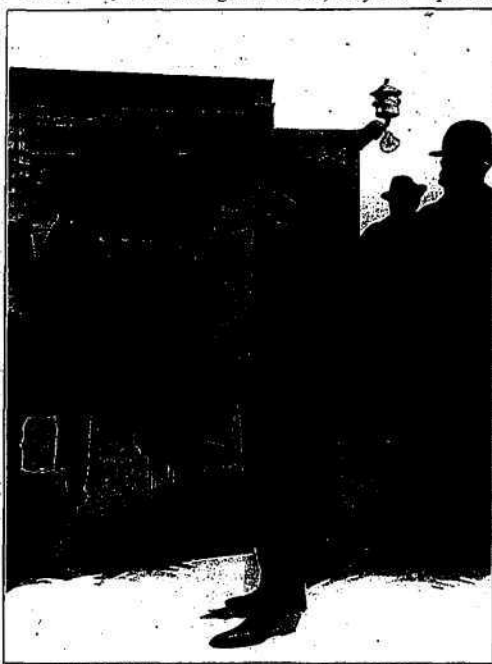
Immigrants arrive in Detroit at one of three depots. A police officer is on duty at each of these all the time to assist arriving travelers. The Young Men's Christian Association provides an inter-city secretary whose responsibility is to direct and help young men coming to the city and also arriving immigrants. The latter, is also a special police officer because of the nature of his work. At two of the depots, special rooms are provided for immigrants.

When immigrants arrive, they are

handled first. Each friend or relative is required to identify the immigrant whom he desires to take with him. In some instances individuals whom the immigrant did not even know, have claimed to be relatives or friends. The remaining immigrants are then grouped and if any desire to use a taxicab, a flat rate is charged to any part of the city. The agents of the two taxicab companies collect the fare before the immigrant enters the machine; this places the responsibility upon the agents and the drivers have no

temptation to defraud the immigrant. Those immigrants who do not care to use taxicabs, are directed to their destination by the inter-city secretary of the Y. M. C. A., Travelers' Aid and the police officer.

The problem of immigrant education has been created by the inability of the immigrant to speak the English language. His acquisition of information with reference to America and her ways depends upon his ability primarily to speak English. If he can converse with the average American citizen, he can find out for himself those American customs which are of immediate interest to himself. However, without the English speech, he must secure information through an interpreter or through someone of his fellow-countrymen who is able to use the English language. This fellow-countryman, due to wrong ideals of Americanization, is often the immigrant's greatest enemy who uses him for personal gain. The first responsibility, then, is to ascertain the extent of the inability to speak English among the foreign-born population, and the second is to study and to provide facilities for persons so disqualified, to learn the English language.



Courtesy of The Detroit News

*The Future American—Newly Arrived Immigrant at Detroit*  
grouped together by the railroad officials at the depot.

## *The Arrival of the Immigrant*

The police officer collects their medical inspection cards and writes their addresses on them. This is for record by the police department. Immigrants with friends or relatives meeting them

\*Condensed from a report prepared for the Detroit Board of Commerce by RAYMOND E. COLE of the Committee for Immigrants in America.



In 1910 in the city of Detroit, no less than 38,038 foreign-born whites 10 years of age and over were unable to speak English. This represents 20 per cent of the total number of foreign-born whites above the age of 10 years; 23,380 are men and the balance 14,658 are women. The number has greatly increased since 1910.

The largest and most systematic undertaking ever made by an industry in this country for the instruction of its foreign labor in English is in actual operation at the Ford Motor Company in Detroit.

#### *Ford English School for Immigrants*

Mr. Henry Ford states: "When we started our so-called Profit Sharing Plan we were startled to find that about 50 per cent of our men had no knowledge of the English language. We endeavored to reach them through interpreters and were surprised to find a feeling of distrust on the part of the men for the countrymen through whom we sought to explain our work and the opportunities and benefits that we proposed to give the individual. It seems that the American-born or naturalized foreigner to a large extent has seen fit to be rather unscrupulous in his dealings with the immigrant from the home-country and because of this, we decided it was necessary to teach the men the English language before they could realize all of the advantages we were anxious to give them."

Now 1,700 men are learning English in twenty-eight especially built classrooms provided for them under the Ford roof. Each class averages an enrollment of between twenty-five and thirty, so that there are about eighty classes. There are two sessions for each class; one group of classes meets Mondays and Thursdays and the other Tuesdays and Fridays. Wednesday is set aside for teachers' training course which is absolutely essential to the success of the class. The teachers are vol-

*Newly Arrived Immigrants Learning the Language of their adopted Country at the Ford English School, Detroit—Note the Object Lesson Method*

unteers from the employees of the factory itself.

Objects such as tools, hammers, pen and ink are furnished for each lesson in a systematic way. Special lessons pertaining to various parts and employment of the factory are used. A diploma is being printed which will be signed by three of the leading officers of the company and given to each immigrant who graduates from the Ford School of English and thus has taken an important step in becoming an American by learning English.

The Board of Education, the Public Library, industry and private agencies of Detroit are merely beginning a systematic effort for immigrant education. The culmination of the difficulties arising from inability to speak English and illiteracy are big tasks. They can be overcome, and the Board of Commerce can definitely assist.

#### *The Immigrant in Distress*

The unemployment situation in Detroit was an acute one last winter. It was found, according to the report on "Unemployment," of the Board of Commerce, that 25 per cent of the men employed at the best seasons of the year were out of work. This meant an army of 23,000 men in thirty-four factories alone, with a possibility that for the whole city the unemployed reached above 80,000 men.

The immigrant is an important factor in the public and social problem of unemployment in an industrial community. This is especially true for the City of Detroit with fifty per cent

or 75,423 of its men over twenty-one years of age foreign-born. The immigrant is the first to be laid off in an industrial depression because he is for the most part the unskilled laborer; and yet he is the one who can least afford to be out of work.

The Board of Commerce is to be complimented on the splendid co-ordination of social

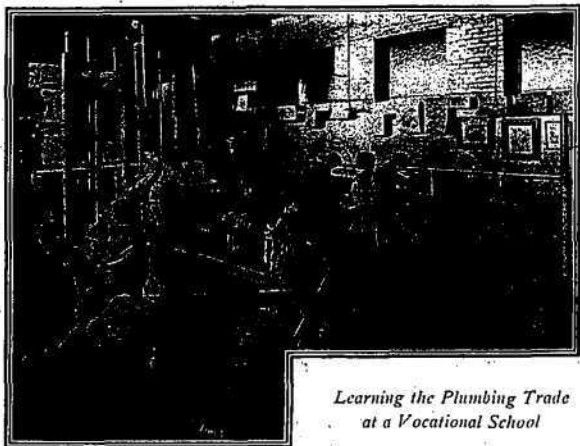
agencies which it effected for assisting the unemployed.

Attention is called to these salient facts; in Detroit fifty per cent of its males of voting age (those over twenty-one years of age) were born on foreign soil. Only forty-four per cent of this number are naturalized; the remaining fifty-six per cent (or in figures, 42,432) give us concretely the naturalization problem of the metropolis of Michigan.

#### *Helping the Immigrant to Citizenship*

So far as the best interests of the city are concerned, proper preparation for naturalization is a highly important consideration, yet up to the present no special citizenship instruction is being given in Detroit, except by the Y. M. C. A. During the month of April, a class with an enrollment of twenty-five was organized in the Y. M. C. A. building, for naturalization applicants. It meets once a week.

The aliens of Detroit on the whole do not know of the special agencies and educational facilities which exist for their benefit. Detroit with its large immigration population needs an "interpreting house" a Community Municipal Immigration Bureau, which will correlate the work of private agencies, direct assimilative forces and do those things for the protection and welfare of the immigrant which are not being done by any existing agencies. It might be the function of a "Special Immigration Committee" of the Board of Commerce to effect the establishment of such a bureau, and then to assist in determining its policy.



Learning the Plumbing Trade  
at a Vocational School

## Training for Industrial Life

By ALVIN E. DODD

**T**HERE is a tremendous waste of youth in the United States.\* With very few exceptions it may be said that American boys and girls leave school at fourteen years of age or earlier and go to work.

At least 2,000,000 boys and girls between the ages of 14 and 16 are working for wages in this country. They are unskilled at that age and unfit for responsibility.

Each year 1,000,000 young people are required simply to maintain the ranks of our working population. There are 25,000,000 persons, eighteen years of age and over, in this country, engaged in farming, mining, manufacturing, and mechanical pursuits, trade and transportation. Of the 14,250,000 engaged in manufacturing and mechanical pursuits, not 1 per cent, have had or, at the present time have, any chance to secure adequate industrial training.

These figures are brought out by the

\*This account of a campaign for national preparedness for industrial and commercial efficiency is by the Secretary of the National Society for the Promotion of Industrial Education.

report of a Commission created in January, 1914, by Congress to consider the subject of national aid for vocational education. The President appointed on this Commission: Senator Hoke Smith, Georgia; Senator Carroll S. Page, Vermont; Representative D. M. Hughes, Georgia; Representative S. D. Fess, Ohio; John A. Lapp, director Indiana Bureau of Legislative Information, Indianapolis; secretary of Indiana Commission of Industrial Agricultural Education, 1912; Miss Florence M. Marshall, director Manhattan Trade School, New York City; member of Massachusetts Factory Inspection Commission, 1910; Miss Agnes Nestor, president International Glove Workers' Union, Chicago, Ill.; member of Committee on Industrial Education, American Federation of Labor; Charles A. Prosser, secretary National Society for the Promotion of Industrial Education, New York City, and Charles H. Winslow, special agent, Bureau of Labor Statistics, Washington, D. C.; member of Massachusetts Commission on Industrial Education, 1906-1909.

This Commission did two very remarkable things. It finished its re-

port on time and turned back into the public treasury one-third of the \$15,000 appropriated for its expenses.

The report, which is an exhaustive one, presents unusually interesting data and arguments in support of its recommendations stating that "an overwhelming public sentiment shows the need for vocational education in this country. The testimony in this behalf comes from every class of citizenship, from the educator, the manufacturer, the trades-unionist, the business man, the social worker, and the philanthropist."

### Provisions of the Smith-Hughes Bill

The Smith-Hughes bill, embodying these recommendations, and so named from its sponsors in the Senate and House—Senator Hoke Smith and Representative Dudley M. Hughes both of Georgia—bids fair to attract more than usual attention.

For years the subject has been discussed in and out of Congress but the efforts to enact a law have been defeated, although the Page bill, which passed the Senate in 1912 but failed in the House, had the same general purposes in mind.

### National Aid to Industrial Education

Summarizing its provisions, the bill extends to the states the help of the government in establishing vocational education and in training persons to teach. This is to be done by grants of money and by the establishment of a Federal Board for Vocational Education, to work with and through the states in starting this form of education. The purpose of the proposed law is not to enable the federal government to enter the educational field and establish schools, but to extend such aid as will stimulate the different states of the Union to develop the work themselves.

For agricultural teaching the money is to be allotted to the states in the proportion that the rural population of each state bears to the rural population of the United



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Senator Hoke Smith  
of Georgia  
An enthusiastic advocate of the idea.

States. In the same way the allotments for trade and industrial teaching will be in the proportion which the urban population of each state bears to the total urban population of the United States.

The federal grants are to be made for instruction in agriculture, the trades and industries, and for the training of teachers of agricultural, trade, industrial and home economics subjects on the following scale:

Year	Toward salaries for agricultural teachers	Toward salaries for trade and industrial teachers	For purchase of books or for research work	Federal Board of Vocational Education Investigation, etc.	Total for each year
1915-16....	\$500,000	\$500,000	\$500,000	\$200,000	\$1,700,000
1916-17....	750,000	750,000	700,000	200,000	2,400,000
1917-18....	1,000,000	1,000,000	800,000	200,000	3,000,000
1918-19....	1,250,000	1,250,000	1,000,000	300,000	3,700,000
1919-20....	1,500,000	1,500,000	1,000,000	300,000	4,300,000
1920-21....	1,750,000	1,750,000	1,000,000	300,000	4,750,000
1921-22....	2,000,000	2,000,000	1,000,000	300,000	5,300,000
1922-23....	2,500,000	2,500,000	1,000,000	300,000	6,300,000
1923-24....	3,000,000	3,000,000	1,000,000	300,000	7,300,000

In the interests of the smaller states it is provided that of the two funds for the salaries of teachers no state shall receive less than \$5,000 annually prior to 1922, nor less than \$10,000 annually thereafter, and that, of the fund for training teachers, no state shall receive less than \$5,000 annually prior to 1918, nor less than \$10,000 annually thereafter.

#### Conditions of Grants

The grant of these funds is contingent upon the states meeting certain "conditions of efficiency." For the most part these are left to be determined by agreement between the federal board and state board, although some are fixed.

It is clear from the "conditions" laid down, that the Commission which prepared the bill had no intention of presenting a "pork barrel" measure. For each dollar received from a member of the government the state must expend an equal amount for the same purpose besides meeting all costs of plant equipment, and maintenance. "The controlling purpose of all such education" must be to "fit for useful employment." It must be for less than college grade and designed to meet the needs of per-

sons over 14 years of age who have entered upon trade, industrial, or farming or home-making pursuits. The schools aided in

part by the national government must be supported and controlled by the public. Before money for training teachers can be received each state must show that such training will be given only to persons who have had adequate vocational experience in the line of work which they are preparing to teach. To administer these funds in the states each legislature is required to designate or create a state board of not fewer than three members. The existing state board of education may be so designated. Thus each state will have its own board and study its local needs, being free to develop its own plans and always taking the initiative in the movement.

#### A Federal Board to Cooperate

To administer the act for the entire country the bill creates a permanent Federal Board for Vocational Education, to consist of the Postmaster General, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce and the Secretary of Labor. The Commissioner of Education is to be its executive officer. Cooperation with state boards is to be, however, only one of the duties of the federal board. It is to act as a central investigating and publicity agent in the field of vocational education.

In the reports of the Bureau of Labor Statistics, the Department of Agriculture, the Department of Commerce and the Bureau of Education, there is much material of value to the cause of vocational education. But the activities in this field of these de-



*A Sewing Class in Session*

A power machine operating in a girls' vocational school in New York

partments necessarily lack plan and are without relation to each other. Moreover, except for the work of the Department of Agriculture, Congress has not supported any educational service liberally.

The new board is to be a clearing-house for these departments and bureaus on making studies and publishing data. The board may conduct investigations of its own, but it is directed to work with or through the departments so far as practicable. This work must include, the bill says,

studies, investigations and reports on agriculture and agricultural processes and requirements upon agricultural workers; trades, industries and apprenticeships, trade and industrial requirements upon industrial workers, and classification of industrial processes and pursuits; commerce and commercial workers; home processes and problems and requirements upon home workers; and problems of administration of vocational schools and of courses in vocational subjects.

To pay for investigations and maintain its office, the board is granted the sum of \$200,000.

The creation of the commission which framed this bill came as the result of six years' effort to secure federal aid for vocational education. Under the leadership, first, of Representative Davis, of



*Miss Florence Marshall*  
Another member of the Commission.



*Miss Agnes Nestor*

A member of the government Commission.

Minnesota, and later of Senators Doliver, of Iowa, and Page, of Vermont, the struggle progressed. Senator Page has been particularly active in urging consideration of the subject and has in fact given more time, thought and hard work to the measure than any other man in Congress.

Although the Page bill passed the Senate at the last Congress, it failed in the House. Meanwhile the Lever bill, which granted federal aid to extension work in agricultural education among farmers, passed and the committee already referred to was created. The American Federation of Labor has already indicated a deep interest in the measure.

#### *Money Value of Industrial Education*

An ingenious computation is presented by the Commission to show the value in dollars and cents which vocational training could have been to the 25,000 over 18 years of age now engaged in farming, trade and industry.

If we assume that a system of vocational education, pursued through years of the past, would have increased the wage-earning capacity of each of these to the extent of ten cents a day, this would have made an increase of wages for the group of \$2,500,000 a day, or \$75,000,000 a year, with all that this would mean to the wealth and life of the nation. This is a very moderate estimate and the facts would probably show a difference between the earning power of the vocationally trained and the vocationally untrained of twenty-five cents a day. This would indicate a waste of wages, through lack of training, amounting to \$6,250,000 every day, or \$1,875,000,000 for the year.

In this whole country, according to the investigations made by the Commission, are fewer trade schools than exist in the now unfortunate little German Kingdom of Bavaria, with a population but little greater than that of New York City.

Until the outbreak of the European war more workers were being trained at public expense in the city of Munich than in all the larger cities of the United States

put together, although these American cities have a total population of 12,000,000 souls.

#### *Trained Intelligence Needed*

The increased demand for trained workers is an irresistible urge toward vocational training. The supply is relatively diminishing with the constantly increasing demand upon our industries for more and better goods. The European war and its disastrous results will be certain to emphasize this situation.

The unexampled prosperity of the American manufacturer, too, has been due to the abundance and cheapness of the raw material, which he has found at hand; second, to the inventive genius of the American people; third, to the presence in the American brain of organizing ability leading to productions on a large scale, and, fourth, to the presence in this country of a great body of cheap foreign labor of the first generation, working its way upward to civic and industrial worth.

The opening of new foreign sources of supply and the depletion of our own stock of virgin raw material; the deterioration of the quality of cheap labor coming to us from Europe, both tend to make action imperative to our welfare. In proportion as our resource factor fails, we must increase the efficiency of human labor in the shop as well as on the farm, says the commission.

Only trained intelligence can conserve our forests, and our water powers; only trained intelligence can restore to our depleted land its old fer-

tility; only trained intelligence can make it possible for us to maintain our higher standard of living for workers and yet successfully compete with workshops in lands where lower standards prevail.

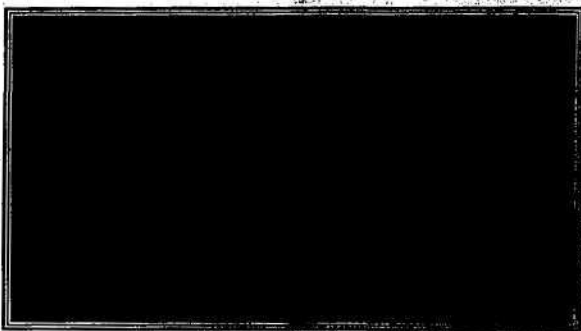
#### *National Aid Justified*

Abundant precedent for national grants to education is found in the grants given under the old Morrill and Nelson Acts to colleges of agriculture and mechanic arts. Probably no aid given by the national government for education has ever proved so fruitful as have these grants. New and vigorous colleges have been created, small and feeble state institutions have been awakened into new life, the agricultural and engineering professions have been developed, and the states have been stimulated to make large and rapidly increasing appropriations to these colleges and to their state universities.

National grants are justified by the interstate character of the problem of vocational education, due to the interstate character of our industries and the national character of state business and industrial life. Because of its extreme mobility, labor, particularly that which is skilled and is therefore in great demand, has taken on a national character. A man may be born in Indiana, trained as a worker in Massachusetts, and spend his days as a machinist in California. A state cannot be expected to devote large sums from her public revenues to the making of good workmen for the benefit of other states. Only out of a common fund like the national treasury can the burden be equalized and adjusted so that

each state may in justice be expected to meet the obligation resting upon its schools.

The Smith-Hughes bill in effect proposes to extend to the boy and girl of less than college grade opportunities for training in the vocations, which our young people are doing at the rate of more than one million a year.



*Future Ben Franklins*

Students preparing for the printing trade in a vocational school in Buffalo

# The Government's First Clayton Act Case

**T**YING contracts are the government's first object of attack under the Clayton Act. The principle used in these contracts received judicial sanction in 1896, when a lower Federal court declared that the



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Judge Clayton, Author  
of the Law

owner of a patented machine for fastening buttons on shoes could require that purchasers of his machine use with it only the staples he sold. The power to say what staples should be used, according to the court, was among the benefits of the patent. This decision not only made tying contracts common but was the basis of a belief, which persisted until 1913, that manufacturers could fix and uphold resale prices.

About 1901 the United Shoe Machinery Company, builders of different patented machines for performing various operations entering into the construction of the lower part of shoes, seems to have adopted tying contracts as an essential element in its plan of distribution. In effect, it stipulated that persons who leased its patented devices could use with them for other operations in perfecting the lower part of shoes only machines obtained from the company. These tying contracts have been the primary cause for repeated attacks by the government upon this company, which makes the machines used by more than a thousand shoe manufacturers, large and small.

Beginning with 1911 the government sought to establish that the shoe machinery company violated the Sherman Act. The real point of attack was the tying contracts, although a second opportunity for complaint was found in the company as a combination of earlier concerns. The government instituted criminal proceedings, as well as civil suits to prevent the use of tying contracts and to dissolve the company.

The criminal proceedings reached the Supreme Court, not after a trial before a jury, which has not occurred, but upon technical questions, which

were decided in 1913. The civil proceedings, begun within three or four months of the indictments, have now gone before the Supreme Court, where the case, decided against the United States by the lower Federal court in Massachusetts, will probably not be argued for some weeks. Consequently, whether or not the tying contracts violate the Sherman law, because they restrain trade in an illegal manner, or are an attempt at monopoly not justified by the patent laws, has not yet been decided.

The Clayton Act, which became law thirteen months ago, gives another means of attack upon tying contracts which it denounces as illegal, not in all instances, but in all cases where they may substantially lessen competition or may tend to create a monopoly. On October 18, almost exactly a year after the enactment of the Clayton law, the Department of Justice instituted civil proceedings in which it endeavors to maintain that the tying contracts of the

shoe machinery company may substantially lessen competition or may, beyond the limits of the patent law, tend to create a monopoly in the business of supplying machines to the manufacturers of shoes. Apparently because the lower Federal court in Massachusetts had decided against the government in the civil suits under the Sherman Act, the new action has been begun in the Federal court for Missouri.

With several cases pending over the same sort of contracts, new refinements are possible in distinctions between "restraints on trade,"—the language of the Sherman Act,—and "substantial lessening of competition,"—the words of the Clayton Act. Further confusion is possible, since the Clayton Act authorizes the Federal Trade Commission "to enforce compliance" with the section declaring unlawful those tying contracts which fall within the class prescribed, and at the same time lays a duty upon the Department of Justice "to restrain violations." In any event the government seems to have chosen to take action by the old method of an equity suit rather than try the new procedure of the Federal Trade Commission.

Patents are usually the starting point of tying contracts, which most frequently link to a patented article the use of an article in which there is no patent right. The defense of the United Shoe Machinery Company in the new case may very likely be in substance that all the machines used in making the lower part of shoes constitute an industrial unit, and that in order to get the lawful benefits of its patents upon essential parts of this unit it can prevent its patented machines from being used with other parts of the unit which are not obtained from it.



The Father of the  
Sherman Law  
(From a sketch in  
Leslie's in 1900.)



The Rex Pulling-over Machine,—One  
of Those that Caused the Trouble

This is one of three hundred different kinds of machines manufactured by the company.



# The Budget—"A More Responsive System"

By SENATOR JOHN W. WEEKS

I AM in hearty accord with the campaign which is now being waged by the Chamber of Commerce of the United States and its various organization members through their official publication, *THE NATION'S BUSINESS*, for the establishment of a national budget system.

The adoption of such a plan for the regulation of governmental expenditures would not, as its opponents have charged, be either un-American in its methods, or unwarranted by existing conditions. Any change in our fiscal policy that makes for greater economy or efficiency cannot and should not be so characterized. We certainly should not refuse to adopt a plan which is such an improvement on the existing one because other, and perhaps smaller, countries, commercially, have for years found it to their advantage to follow a course like the one now proposed.

It is of prime importance that our national affairs should be so conducted that their course shall pave the way for the various states and municipalities. Its expenditures should be so orderly and economically made that, thereby, an example may be set for the lesser legislative units to follow. Then, too, with the readjustment that must come at the end of the European war we are likely to find ourselves the leading financial country of the world and, as such, for us to hold to our present antiquated fiscal policy, rather than to realize and adopt the merits of a more definite and responsive system for the conduct of governmental business, would surely be the height of folly.

I have come to this conclusion after several years of service upon the different committees, both in the House and Senate, being for many years a member, and two years the chairman of the Committee on Post Offices and Post Roads, which has to prepare the largest supply bill of them all. In addition, I was for a time a member of the House Committee on Agriculture, which provides the funds for the varied activities of that large and important department. The present system, in

my opinion, only makes for confusion and extravagance.

The adoption of a budget plan would, I believe, lead to more perfect legislation pertaining to our departmental activities; would to an extent do away with the usual legislative jam in the closing days of a session, when ample time is not available for the proper consideration of these bills; would tend to do away with many of the lamentable, but often quite necessary, filibusters to which the minority feel compelled to resort; and should, to a large extent, at least, put an end to the altogether too common practice of attaching legislative riders to supply bills.

There can be no doubt as to the greater efficiency of a thorough budget system. It seems to me, there can be no doubt as to its time-saving qualities, the latter of which should be an especial element in its favor at the present time. With Congress confronted with an almost endless assortment of grave questions—army and navy preparedness, the tariff, our foreign policy, additional conservation measures, and many other issues that must be settled during the next few months—it would be a decided assistance if the ground work on the great time-consuming supply bills could be thoroughly worked out by the executive branch of the government, and then sent to us for our consideration from that point on to the measure that is finally adopted.



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Senator Weeks on His Way to the Capitol

## A National Budget

**B**UDGETARY procedure,—a business-like comparison of the revenues that may be expected and the proposals for expenditures,—has been advocated by the National Chamber for several years. Such a reform will not only promote economy in the use of public funds but it will so simplify the statement of appropriations as to lead to real public understanding of the functions of the federal government.

In the study of budgetary procedure a committee of the majority caucus in the House has been meeting at Washington for several weeks. Congressman Swagar Sherley, of Kentucky, who is chairman of a special budget committee, has been conferring with the President and meeting with his committee preparing the report on a program for consideration by Congress. This committee has before it plans which go only to the extent of centralizing jurisdiction over appropriation bills in the House as well as more fundamental suggestions for a genuine annual budget statement.

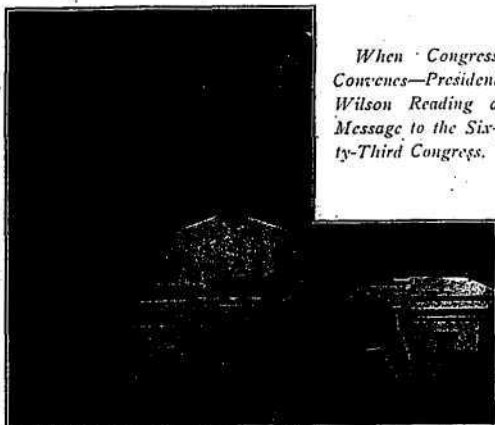
In considering the subject the House Budget Committee has before it descriptions and analyses of European budgets obtained during the summer through such facilities for legislative reference as the National Chamber has advocated since it took its sixth referendum, two years ago.

President Taft's Commission on Economy and Efficiency prescribed an Executive budget. The present problem is to evolve a budgetary procedure which shall not in any way ignore the established congressional machinery for securing appropriations. This is the task which Chairman Fitzgerald, of the House Committee on Appropriations, and Representative Sherley, Chairman of the new Committee on Budget, will have to face. Mr. Sherley said recently:

Unquestionably, the whole theory is that the Government, as a wise business concern, should start off by saying how much money it may be able to raise and spend during the year, and then say to the departments "Make your estimates within that total range."

A commission on economy and efficiency, headed by Dr. Frank J. Goodnow, is preparing for the Maryland legislature an elaborate budget system.

*When Congress  
Convenes—President  
Wilson Reading a  
Message to the Six-  
ty-Third Congress.*



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## National Legislation

### Some Tasks of the New Congress

**P**ARTY government has been making progress in Congress during recent years, and now bids fair to be established as the normal form of procedure. To be sure, development hasn't extended to such a point as in England, where only those bills introduced in the House of Commons by the "government,"—i. e., the responsible leaders of the party in power,—have a chance of enactment. But the legislative program now placed before each Congress by the President takes such precedence, and occupies so much of the sessions, that the chances of measures outside the program become rather problematic.

#### *Are We to Have 'Cloture'?*

A degree of expedition in procedure is essential to party government. Each House as a matter of course makes its own rules of procedure, and the House of Representatives has long had it within its power, by a majority vote, to cut short debate and cause a decision. Under rules which the Senate follows, however, the majority has no power to force a vote, and, in large measure, has to wait upon the pleasure of the minority.

This check exercised in the Senate by the minority has been used repeatedly. Toward the end of the last

session with the decision of a majority reached in a party caucus. If endeavors to provide for stopping debate succeed, a party which has a majority in both Houses, and has solidarity in its ranks, will be able to enact its legislative proposals expeditiously and without material hindrance. Such a situation would undoubtedly increase party responsibility, which is now confined largely to tariff legislation, and bring the United States nearer to party government as it exists abroad.

#### *The International Situation*

Domestic affairs were most prominent in the legislative program of the last Congress, as of many preceding Congresses. The effect of external conditions, however, will very likely be most prominent in the message, or succession of messages, in which the President will suggest legislation. Military defense of the country, both by sea and by land, will be foremost, but legislation affecting industry and trade will very probably be well forward in the program.

There have already been conferences regarding the form any necessary additional legislation should take for the purpose of keeping foreign competitors, acting under the urgency which will bear upon them after the close of

Congress attempts were made to do away with the obstacles which the majority finds in unlimited debate. According to present plans; these attempts will be renewed in the Senate immediately upon the opening of Congress. The question at issue will be whether, in a small legislative body, there is more public advantage in extended debate or in speedy action in accord-

the European war, from practising in American markets against American manufacturers such unfair methods as American competitors may not use against one another.

#### *Legalized Combination for Export*

Not only legislation giving American manufacturers a fair field in their home markets is very probable but also an express statutory declaration that they have freedom to combine among themselves in order that they may be on an equal footing with their foreign competitors in markets abroad. In December of last year a committee of the National Chamber urged such legislation. During the summer the Federal Trade Commission has been collecting information, and has recently extended its inquiries to some thirty thousand American firms. Although the Commission may not be prepared to make a recommendation when Congress opens, it is expected to report its conclusions during the winter.

#### *The American Merchant Marine*

The scarcity of vessels for cargo which the United States has to export, the high level of ocean-freight rates, and the certainty that available shipping will become even more scant in consequence of current orders from the British government which presage withdrawal from the merchant service of a further portion of the vessels sailing under the British flag will early in the session draw attention to the national advantage in placing merchant vessels sailing under the American flag upon all the important ocean routes of the world.

It seems very probable that the bill for Government ownership which did not succeed in the last Congress will be reintroduced, with some modifications in form.

#### *As to Banking Abroad*

American banking facilities in other countries have been described as essential to general success in foreign trade. The Federal Reserve System made it possible for national banks of large capital to organize foreign branches, and in fact the National City Bank of New York now has six branches in Latin America. Banks in the Middle West, however, have been urging that the law should be so amended as to permit several institutions to cooperate in

opening joint branches abroad. It seems very likely that the Federal Reserve Board itself will in January recommend to Congress new legislation of this purport. At the same time, there may be other alterations in the law regarding foreign branch banks, such as abrogation of requirement that the main bank set aside a certain amount of capital for each branch, thus giving a prejudicial impression that the resources back of each branch are much smaller than they are in fact.

Increased and organized facilities for obtaining credit for agricultural purposes, it will be recalled, have been repeatedly urged by the President and will undoubtedly be proposed in a bill upon which members of both Houses have been collaborating. It is altogether possible that this bill may become one of the important items in the legislative program of the winter.

#### *Tariff Commission Situation*

The European war will be followed by many readjustments of industry and commerce, and even by reconstruction of systems of national finance, in the countries which are now belligerent. These readjustments will be accompanied by changes in tariff systems in Europe.

#### *A Decision on Program*

The program of legislation which will be given preference will become fairly evident after the majority members of the House have come to their conclusions in the caucus which will meet about December 4. Ordinarily, the program of the majority party for the first session of a Congress, which can extend for twelve months and merge into the "short" session with its abrupt ending on March 4, can include many subjects. The circumstances, however, that national political conventions will occur next summer, followed by a Presidential election in November, will tend to cause both majority and minority to make the session as short as possible. Even if the session lasts until May, almost half of the time will have to be devoted to the series of annual appropriation bills. The time available for general legislation will be curtailed even further by debates over the sources of new revenues necessary to meet the increas-

ed expenditures which seems inevitable; for not only departments which will be responsible for enlarged preparations for national defense seek increased appropriations, but departments which have no relation to the military program likewise are asking more money.

#### *Sources of Increased Revenue*

With the debates on appropriation bills there will have to go debates upon the sources from which new revenues are to be obtained. The emergency taxes imposed in October of last year will be renewed, although with some changes and perhaps with some additions. It may be recalled that when the war-tax bill was first drafted last year it contained several taxes which were subsequently abandoned, such as two cents a gallon on gasoline used for motive power, and taxes on tickets for sleeping and parlor cars. It will be recalled, too, that there is precedent in the legislation passed in the days of the Spanish-American war for occupation taxes on refiners of sugar and petroleum, and stamp taxes on bills of exchange, checks, proprietary medicines, playing cards, and the like.

From the war-tax law of October, 1914, about \$70,000,000 a year are being realized; from the more comprehensive law of some fifteen years ago rather more than \$100,000,000 were obtained a year, a sum which would certainly be increased to \$150,000,000 if the same taxes were applied today.

New taxes will have to be found not only because of the increased scale of expenditure, which is contemplated, but for the reason that customs revenue in the last fiscal year were less than the year before by \$83,000,000, and since July of this year they have even been less by \$11,000,000 than in the corresponding months which immediately followed the outbreak of war in Europe. In view of these considerations it is not at all unlikely that Congress will continue the present duty on sugar which according to present law will end on May 1, and Congress may decide it is advisable to use the income tax in the way that was forecasted when the law was enacted,—that is, "to give elasticity and productiveness to our revenue system" by the simple expedient of changing the rates. In

any event, so long as war continues, the import tax on sugar is to an extent illusory in the revenues it produces, since upon heavy exportations to European countries the duties paid upon importation of raw sugar are refunded. Consequently, the real reliance upon an increase is the income tax. From this source about \$80,000,000 a year is now obtained. An increase of the normal tax on individual incomes from one to two per cent would realize about \$17,000,000 additional revenue, and a like increase in the additional taxes would produce \$25,000,000 further. If the present income tax on corporations were doubled, the gain would be about \$40,000,000.

#### *Railroad Questions*

The Cummins Act will undoubtedly have early attention in order that it may be so amended it will not extend beyond its original purposes and cause its present incidental uncertainties. No one seems to have intended that a shipper who preferred to cover his property with an insurance company, getting protection for it not only while in the railroads' hands but while it was being hauled through the streets, etc., should in effect have to pay a second insurance premium to the railroad company, or else be liable to fine and imprisonment for "false-billing." Yet this is the opinion of the Interstate Commerce Commission. Railway mail-pay will undoubtedly continue to arouse controversy. The Post Office Department will reintroduce the bill which it urged in the last Congress and which was severely criticised by the railroads.

#### *On the Whole a Business Congress*

The heads of legislation mentioned above are only suggestive; they are so incomplete that they do not suggest appropriations for improvement of rivers and harbors, controversies over the Government's relation to waterpower sites in the West, or attempts to provide in new legislation against pronounced tendencies in immigration which may follow the European war. The subjects mentioned, however, will serve to indicate the great likelihood that in the approaching session Congress will be extremely busy with many measures of direct interest to business men.



JOHN BASSETT MOORE



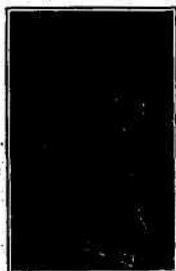
DAVID R. FRANCIS

WM. G. McADOO  
SECRETARY OF TREAS.

GEORGE M. REYNOLDS



A. BARTON HEPBURN



DR. L. S. ROWE



H. P. DAVISON

JOHN H. TANEY - PRESIDENT  
CHAMBER OF COMMERCE, U. S. A.

SAMUEL UNTERMYER



JUDGE E. H. GARY

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*The United States Section of the Pan American High Commission*

## Cementing Pan American Friendship

The Continuing Work of the International High Commission

By DR. LEO S. ROWE

*Secretary General of the International High Commission.*

IT was perfectly obvious to those who took part in the First Pan American Financial Conference that they could not expect to accomplish everything in the short duration of that gathering. They realized that some sort of permanent standing committee would have to be chosen for the purpose of preparing the work for future conferences, as well as for the more important purpose of making effective the recommendations of the Conference of May last. Obviously such a committee must be international and work in close cooperation.

Early in the Conference Secretary McAdoo suggested the appointment of a committee on 'uniformity of law, instructed to formulate the procedure to be followed in harmonizing the commercial law of both continents. This committee furthermore, was to devise the means for carrying into effect the

changes it saw fit to suggest. The Committee on Uniformity of Law recommended the establishment of 'an International High Commission, to be composed of not more than nine members, resident in each country, to be appointed by the minister of finance of such country.' This suggestion was accepted by the Conference and formally reported to the governments of all the participating states.

### *Conferring on Uniformity of Law*

The idea appealed forcibly, and, without exception, all the governments of the American republics have accepted the plan of an international commission designed to examine the need of reform in commercial law or in administrative regulations. They realize that there are many obstacles in the way of the development of sound financial and commercial expansion, ranging all the way from the

complex problems of legal tradition to comparatively simple administrative rules. They see that the financial conferences, which in essence can be nothing more than gatherings for review and confirmation, for exchange of opinions and acquisition of atmosphere, could not by themselves sift and digest the enormous mass of preliminary reports and other material which must be assembled in working out so delicate an international operation. Therefore, they were entirely ready to accept the initiative of the Secretary of the Treasury to standardize and give permanency to the work of conferences.

### *Appointment of the High Commission*

Immediately after the Conference, Secretary McAdoo appointed the United States section of the commission. In the course of the summer all the governments that had taken part in the Financial Conference selected



their representatives. In general, the selections give excellent testimony to the discretion and business judgment of the ministers of finance. Every branch of business life, every large financial or commercial interest in each of the Latin American republics was recognized, while, as a matter of course, their profound respect for legal science, as well as their correct understanding of the objects of the Commission, guided the ministers in choosing eminent jurists for this responsible board. In nearly every case the Minister of Finance is Chairman.

With the assent of his conferees Secretary McAdoo selected November first as the tentative date for the first meeting of the Commission and Buenos Aires as the place. However, it soon became clear that a meeting at so early a date would not permit of serious preparation on the part of the commissioners nor would it give any opportunity for the exchange of preliminary views. Consequently, Secretary McAdoo felt it would be better to postpone the meeting of the commission until the spring. After an interchange of views between the ministers of finance, April third, 1916, was determined as the date of the first meeting of the commission, Buenos Aires remaining the place.

#### *Work of the Sections Begun*

A number of the sections have already begun constructive work by preparing preliminary reports for circulation among other sections. The Committee on Uniformity of Law of the Financial Conference suggested seven topics upon which it believed attention should be concentrated. It felt that there should be some discussion on currency and exchange standard, as well as on the intricacies of the law of negotiable instruments. It was agreed, too, that there should be some uniform action with regard to fiscal and customs regulations, and the rules for commercial travellers and their samples. Obviously, patent and copyright legislation always deserves attention, and there was also evident need of striving to amplify and improve the parcel post service. Finally, the committee reported that one of the subjects for study must be the extension of the process of arbitration for the adjustment of commercial disputes.

Upon all these topics the various sections of the commission expect to present some specific recommendations; and some of the sections, it is anticipated, will offer additional recommendations. They have divided into sub-committees of from one to three members each, according to the importance of the topic, and these sub-committees are working up reports.

#### *The United States Section Reports*

The United States section, while by no means the first to get to work, has accomplished its share of the preliminary tasks. At the request of Secretary McAdoo, a number of special reports were submitted to the commission by experts in the various subjects under discussion. The question of the gold exchange and currency standards was treated by Professor Joseph French Johnson. The government's experts in fiscal matters cordially gave their assistance to the section, the Honorable Wilbur J. Carr and General Enoch H. Crowder by preparing a report on uniform customs regulations and consular certificates, Surgeon General Rupert Blue by presenting a constructive report on the standardization of sanitary regulations on imports, and Dr. Frank Rutter, by discussing in an illuminating way the problem of classification of merchandise. The Registrar of Copyrights, Thorvald Solsberg, has supplied the section with a thoughtful survey of further copyright legislation in the Americas. Postmaster General Burleson discussed the possibility of reducing postal rates and of establishing money order and parcel post service where they do not exist.

#### *Cooperation by the National Chamber*

The United States Chamber of Commerce cooperated most effectively; its President, Mr. Fahey, who is a member of the section, has given his colleagues a careful presentation of the question of extension of arbitration of commercial disputes, while Secretary Goodwin prepared an excellent summary of the laws and administrative regulations governing commercial travellers and their samples. Finally, Secretary McAdoo was able to call upon men eminent in the commercial and legal worlds for contributions to the work of the section. Charles S. Haight, of New York, reported on the

vast problem of bills of lading, while Welding Ring has discussed another vexatious question,—warehouse receipts. Paul Fuller gave the section the benefit of his experience in Latin America in a report upon the conditions imposed by American governments on foreign corporations doing business within their jurisdictions. The whole theory of codification of corporation law was discussed in a masterly way by Professor Roscoe Pound of the Law School of Harvard.

#### *The Problem of Continuing the Work*

Furthermore, in the clear realization that the ultimate difficulty would be one not so much of finding money for long-term investment, as of establishing credit facilities for relatively short-time and easily convertible paper, it was decided to ascertain the attitude of the exporting and manufacturing constituencies in the United States towards liberal extension of credit. A list of questions was submitted to a large number of firms, and the response has been gratifying. It is easy to see that the manufacturing and business communities are eager to lend the fullest support to any constructive measure looking toward greater commercial intimacy with Latin America.

The United States section held its first meeting at the Treasury on September 23. After outlining the work the Secretary advised that attention be concentrated upon financial and allied problems. The Secretary-General, who is acting in that capacity for the entire Commission until the organization of the first meeting at Buenos Aires, gave some account of the views of Latin America on the several topics admittedly regarded as most urgent,—credit, branch banking, transportation and parcel post. With reference to the latter problem, the Post Office Department was represented at the meeting by its experts, and measures were discussed looking toward substantial improvement of the parcel post service and other branches of the postal service in Latin America.

A second meeting of the United States section will be held in Washington on December 1, at which time it is expected to formulate the various proposals that our section will make to the other sections at Buenos Aires.



# How Shall We Prevent "Dumping" After the War?

By ARTHUR H. WEED

*Counsel and Secretary of the Manufacturing Chemists' Association of the United States*

**D**UMPING," as the term is now commonly used, means selling goods in a foreign country at a lower price than the market price in the country of production. The term implies an unloading of surplus product.

Dumping, however, does not always result either directly or indirectly from a condition of over production. It often happens that goods are dumped into a foreign country, not for the bona fide purpose of relieving the domestic market, but rather with the direct intent of destroying or hindering the development of some competing industry in the foreign market. In this latter case the term "dumping" is hardly descriptive of the act.

## *Coal Tar Industry an Illustration*

Take the coal tar industry, for example. Germany has so far outclassed all other countries in the production of dyestuffs that it is no exaggeration to say that she has controlled the markets of the world. At odd intervals efforts have been made to establish coal tar plants in this country. Such efforts, at least prior to the European war, proved unsuccessful. There may be many theories as to the failure of these efforts, and there may be even some diversity of opinion as to whether it is possible to establish a coal tar industry in this country on a sufficiently substantial basis to compete successfully with the German plants.

Whatever diversity of opinion may exist, however, there is no doubt that one of the chief causes of failure to establish a coal tar industry here has been the ruinous competition from abroad in the form of the "dump." The small plants which have been started in this country for the manufacture of dyestuffs, or their intermediate products, have had similar experiences. No sooner have these plants reached a position to put up some show of competition with the imported articles, than the prices of these imported articles have at once dropped below any reasonable cost of production. The results have always been the same, failure.

We thus have a situation, so far as the coal tar industry is concerned, where an industry, firmly established in a foreign country and there controlled through the instrumentality of the syndicate or cartel (combinations prohibited here under our antitrust laws), is in a position to dominate the markets of the United States. There is ample evidence that this domination has taken the form of underselling or dumping with the express purpose of destroying or hindering the development of the industry here. Such competition can only be described as unfair, and, unless there is some form of governmental action to relieve this situation, there is every prospect of the old methods being resumed at the close of the present war.

What is true of the coal tar industry is true of other industries, and, in view of the probable unsettled conditions which will be brought about at the conclusion of the war, it is a fair assumption that the subject of dumping will become of increasing importance and concern to our manufacturers.

The evils of dumping have been recognized in the laws of at least two countries, Canada and Australia.

## *How Canada Meets the Problem*

The Canadian law (Customs Act of 1907) undertakes to prevent dumping by imposing an import duty, in addition to all other duties, on all articles of a class or kind produced in Canada if the export price or actual selling price to an importer in Canada is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada. The amount of this dumping duty, up to an arbitrary maximum of 15% ad valorem, is equal to the difference between the export, or actual selling price for export to Canada, and the fair market value for home consumption. By Order in Council the Canadian law has been extended to free list articles as well as dutiable articles. A series of departmental regu-

lations have perfected the law, and Canadian Customs officials say that the law has worked successfully.

## *Provisions of the Australian Law*

The Australian law approaches the subject from a somewhat different point of view, dumping falling within a class of acts called "unfair competition." The very title of the Australian law indicates its scope, namely,—"Australian Industries Preservation Act."

In the Australian law "unfair competition" has reference to competition with "those industries, the preservation of which - - - is advantageous to the Commonwealth" and is defined under six headings which include the act of dumping with intent to destroy an Australian industry.

The conditions under which the Comptroller General of Customs may initiate action clearly indicate the scope of the Australian law. It is provided that he may do so, when he "has reason to believe that any person (hereinafter called the importer) either singly or in combination with any other person within or beyond the Commonwealth, is importing into Australia goods with intent to destroy or injure any Australian industry by sale or disposal within the Commonwealth in unfair competition with any Australian goods."

The remedy in Australia is analogous to our remedy of injunction, a Justice of the High Court being empowered to make findings which have the force of restraining orders. The Justice's determination when published has the effect of a proclamation under the Customs Act prohibiting, either absolutely or with limitations, the importation of the goods in question, which prohibition remains in force unless the Governor General or Parliament decrees otherwise.

Anti-protectionists may with argument oppose a tariff protection against legitimate competition, but there can be no opposition to protection against illegitimate or unfair competition, whether that protection be in the form of a tariff duty or otherwise.

# What is the American Merchant Marine?

Some Enlightening Figures of How We Stand in World Shipping

THE principal trouble with the American merchant marine is not that it is infinitesimally small. It is not small. It is quite respectable both in number and tonnage. Its lamentable weakness lies in the fact

something inherently connected with merchants, merchandise and cargoes is meant, and, further, that it has to do with the sea. Yet more than 12,000—nearly half—of our total merchant marine may be said truthfully, to have more to do with the land. There are 8,432 motor boats, 560 canal boats, and 3,221 barges, which, metaphorically speaking, never take more than a dip in salt water. The total last June was actually 12,213. There remain some 14,000 vessels to account for, which may have to do with the romance and economics of those who go down to the sea in ships.

As a matter of fact, it appears that less than 3,000 of these ever plough their furrow through foreign seas. The remaining 11,000 have their life and being in the different waters—fresh and salt—which make the United States, in one respect, unique. For no other of the leading maritime nations has so extensive a coastline, such inland seas, or such farwinding river navigation. The western rivers show more than 1,833 vessels, aggregating 138,804 tons. There is a great traffic on the Lakes: 3,161 vessels in all, nearly 3,000,000 tons. But even the shipping of the Great Lakes has not that savour of the salt sea which a merchant marine implies, although it offers a totally neglected but unsurpassed wealth of material in men, possibly 20,000 strong, for reserves for the navy.

## There Remains the Coastwise Trade

What is coastwise trade? It is an anomalous thing. It means trade from one American port to another, which, by the delightful irony of statistics, classes alike the new steam barge which plies between St. Louis and New Orleans with the 10,000 ton ocean steamer which runs between San Francisco, Honolulu and New York. Consequently, no one seems to know, from authentic data, what part of our coastwise trade might be dignified as a reputable element in the merchant marine of a great nation. Even the following figures (for 1915) do not furnish the desired information concerning the American merchant marine.

	Vessels	Tonnage
Foreign Trade .....	2,794	1,871,543
Atlantic, Gulf & Pacific Coasts .....	18,913	3,561,073
Great Lakes .....	3,161	2,918,000
Western Rivers .....	1,833	138,804
	26,701	8,389,429

The only thing evident from this statement is that the figures for the trade on the coasts—which include adjacent sounds, bays and rivers—must cover a swarm of small schooners, steamers, motor boats and barges, as well as ocean steamers like those of the American-Hawaiian, Southern Pacific and other established coastwise lines. The average tonnage of vessels on the Great Lakes is 891 tons, in the foreign trade 670 tons, on the coasts 188 tons.

## We Stand Alone in Shipping

This brief analysis makes it perfectly clear that the merchant marine of the United States cannot fairly be compared as a whole with any other. In default of distinguishing statistics for the actual coastwise cargo and passenger trade, only that part of the whole can be accurately considered which includes the ships seen outside of American waters. Therefore, as far as the rest of the world knows, our merchant marine consists of 37 steel sailing ships averaging 1,600 tons each, 544 wooden sailing vessels averaging 600 tons, 239 wooden steamers averaging 300 tons and 331 steel steamships averaging 3,800 tons. There are also 537

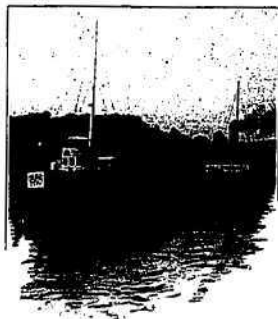


Photo by Brown Bros.

A Great Lake Freighter

A type which is included in the 2,800,000 tons of Lake shipping.

that it is out of all proportion to the enormous trade of the country.

But what is our merchant marine? That ought to be known accurately. It is referred to constantly as something familiar and definite. Official reports for 1915 state that it consists of 26,701 vessels aggregating 8,389,429 tons,—second only to that of Great Britain. But this means,—to the casual observer—that our ships average only a little over 300 tons each. Can that be true? Is it possible that the merchant marine of one of the greatest nations of modern times is made up of vessels the size of a fairly large steam yacht?

Lloyd's Register for 1914-1915 shows that the ships of the British merchant marine worthy of tabulation average over 1,800 tons each, although—apparently—they are fewer in number than those of the United States, totalling 11,328. Yet all the world knows that the seagoing shipping of Great Britain far surpasses in number and tonnage that of every other nation.

## What is a Merchant Marine?

When one speaks of a merchant marine there persists an impression that



Photo by Brown Bros.

The Well Known Canal Boat

More than 500 canal boats are included in official statistics every year.

motor boats and 1,106 barges. It is safe to say, however, that the 37 steel clipper and the 331 steel steamers make the backbone of our merchant marine.

Wood has gone out of use for building big ships. There are thus 368 vessels in the total of 26,701 which would

certainly stand out to advantage in the modern competition for foreign trade. Nearly half of them (140) are foreign built, and only a year ago flew a foreign flag. Altogether, these 368 vessels represent the best part of the modern commercial sea power of the most populous and wealthiest of the maritime nations.

There may be some question about regarding the United States as a leading maritime nation. As far as mere statistics go, the shipping on the Great Lakes alone—nearly 3,000,000 tons—would warrant the title. In the figures given by Lloyd's (1914-1915), only three countries of the world have a merchant marine exceeding 3,000,000 tons, and one of them is the United States. Enough has been said, however, to suggest that when anyone talks of a merchant marine the idea in the back of his mind is seagoing shipping.

#### As to Seagoing Shipping

Where does the United States stand in this respect and what then constitutes its merchant marine? The question cannot be fully answered, because of the lack of discriminating and accurate data to show definitely how much seagoing merchant shipping is engaged in our coastwise trade.

Groping among suggestive figures found in Lloyd's and elsewhere and guessing at the truth from them, perhaps—and it is sheer inference—one-third of the figures given above for the trade on the coasts—or 1,200,000 tons—might prove worthy of enumeration as vessels of 100 tons and upwards. This would raise our total seagoing shipping from nearly 2,000,000 to something over 3,000,000 tons, sail and steam. This is what should be known—more accurately than it is at present.

According to the figures given by Lloyd's for the world's shipping before the war, in vessels of over 100 tons, we find this estimate would place the United States third.

Through the courtesy of the Commissioner of Navigation, it has been possible to procure figures which, although far from being conclusive, have a certain corroboratory bearing on this estimate of the position of the United States. Little

comment is needed to make the following tables intensely interesting.

#### SIZE OF OCEAN STEAMERS OF OVER 3,000 GROSS TONS.

Flag	Over 7,000 tons	5,000 10 10	4,000 10 10	3,000 10 10
British .....	140	250	558	933
German .....	42	71	150	150
American .....	12	23	154	57
French .....	16	19	86	48
Italian .....	3	19	35	52
Japanese .....	8	15	55	41
Dutch .....	8	19	61	30
Norwegian .....	3	5	20	47

TOTAL 231 451 1,078 1,368 1,751 4,879

#### SPEED OF OCEAN STEAMERS OF OVER 3,000 GROSS TONS.

Flag	20 knots or over	19	18	17	16	15	14	13	12	Total
British .....	10	6	35	41	53	71	155	266	393	1,039
German .....	5	1	4	2	4	19	32	36	103	165
American .....	6	0	5	6	13	30	30	34	32	156
French .....	8	1	4	5	9	19	19	27	26	118
Dutch .....	0	0	1	3	3	19	16	27	21	84
Japanese .....	3	3	0	0	0	17	11	24	10	78
Italian .....	4	0	1	3	10	11	18	6	0	53
Norwegian .....	0	0	0	0	0	0	0	0	0	0

TOTAL 36 11 30 60 95 177 273 420 597 1,710

#### Our Actual Rank in World Shipping

One of the features of development in shipping during the last 25 years has been the greatly increased size of the "day laborer of the sea," the tramp steamer. The last number of THE NATION'S BUSINESS printed figures showing that since 1890 the world's shipping had more than doubled in tonnage although actually decreased in number of ships. To this may be added the fact that, whereas 11,000 steam vessels of 100 tons or over in 1890 totalled only 13,000,000 tons, 24,000 steamers in 1914 aggregated 45,000,000 tons. In other words, the average size of the world's steam vessels has practically doubled in 25 years. Consequently the commercial power of a nation is measurable today in its sizable steamships—for they are the modern branch of its merchant marine.

So, at last, is reached the crux of the

question. In large merchant steamers, the class that is fast growing in commerce and of a size and speed to render some assistance as naval auxiliaries,



Photo by Brown Bros.

#### A Tanker in the Foreign Trade

One of the rank and file of the merchant marine.

the United States stands third, surpassed only by Great Britain and Germany. But a glance at the grand totals and then at the individual figures for each country reveals a startling situation. It seems that sixty per cent of the big and able steamers in the world are owned by Great Britain and not seven per cent by the United States. Here lies the root of all discouragement, as to our merchant marine. The trade and wealth of the United States has at its disposal only about one-tenth of the shipping facilities available to the British merchant and manufacturer. To carry the bulk of our sea-borne commerce we have to rely

on the ships of friendly nations. The estimated result is that every year \$300,000,000 leave the United States in the form of freight payments for deposit in the coffers of foreign shipowners. Americans not only subscribe to the upkeep but also to the construction of ships of their marine competitors. If the United States is to take its proper place, it must not be content with mere rank;—it ranks quite high, ahead of France, Italy, Norway and Holland. Americans must have actual commercial sea power in proportion to their trade.

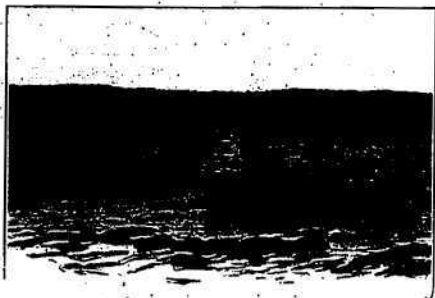


Photo by Brown Bros.

#### The New Type of Power Launch

Over 8,000 gasoline driven boats and vessels contribute to the total tonnage and number of our merchant marine.

# Promoting Pan-America Intellectually

## Scientific and Educational Conferences to Meet in Washington

THE Christmas holiday week at Washington will be marked by the assembling of three congresses of scientific specialists, each endeavoring to bring about closer relations among the peoples of the American continents along intellectual and educational rather than material and political lines.

The regular international conferences of the American representatives have during the past few years been developing closer political ties. The recent Pan-American Financial Conference helped to bring about a better financial understanding. The joint meeting of the second Pan-American Scientific Congress and the Nineteenth

International Congress of Americanists, and the Ninth Annual Meeting of the American Society of International Law (February 27, 1915, to January 8, 1916) will aim to bring the Americas more intimately together upon a high plane of intellectual, scientific, educational, and social progress. Responses to the invitation to send delegates have been received from each one of the twenty-one American representatives. Many of them have already appointed their leading educa-



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Chile's Ambassador, Senor Suarez-Mujica

Who will preside over the Congress.

and experts on mining, agriculture, health, transportation and finance to attend this historic gathering.

### An Unusually Representative Congress

It is expected that there will be present more than 150 of the most representative men of Central and South America, while from the United States,

in addition to the official delegation, there will be more than six hundred representatives of universities, colleges, and scientific bodies. The United States government has appropriated fifty thousand dollars for the expenses of the conference and the State Department, having authority for the preliminary arrangements, has appointed an executive committee to handle the conference. The committee includes:

William Phillips, Third Assistant Secretary of State and Chairman Ex-officio; James Brown Scott, Secretary of the Carnegie Endowment for International Peace, vice-chairman; William H. Welch, President of National Academy of Sciences, Honorary vice-chairman; John Barrett, Director General of the Pan-American Union; W. H. Bixby, Brigadier General, U. S. A., Retired; Philander P. Claxton, Commissioner of Education; William C. Gorgas, Surgeon General, U. S. A.; William H. Holmes, Head Curator of Smithsonian Institution; Hennen Jennings, former President of London Institution Mining and Metallurgy; Geo. M. Rommel, Chief, Animal Husbandry Division, Bureau of Animal Industry, Department of Agriculture; L. S. Rowe, President of American Academy of Political and Social Science; and Robert S. Woodward, President of Carnegie Institution of Washington.

This Committee, in turn, elected as its organization and executive officials, John Barrett, Director of the Pan-American Union, as Secretary General, and Dr. Glen Levin Swiggett, of the University of Tennessee, as Assistant Secretary General.

### History of the Scientific Congress Idea

In accordance with the international custom of giving the presidency to the leading representative of the country where the preceding conference was held, the presiding officer of the Congress will be the Ambassador of Chile, his Excellency Senor Eduardo Suarez-Mujica.

The first Pan American Scientific Congress was held in Santiago, Chile, in 1908. This was the outgrowth of

a series of scientific congresses held by the Latin American nations exclusively and begun by a meeting in 1898 of the Scientific Society of Buenos Aires to celebrate its 26th anniversary. A second such Latin American Scientific Congress was held at Montevideo, Uruguay, in 1901, and a third at Rio de Janeiro, in 1905. The fourth meeting, that at Santiago, in December, 1908, was attended, at the invitation of the Chilean government, by representatives from the United States. The idea had begun to broaden in scope and had become Pan American.

The breadth and comprehensiveness of the coming conference may be seen from a brief summary of the program as announced.

### A Glance at the Program

There will be ten sections. The first under the chairmanship of Dr. William H. Holmes, Head Curator of the Smithsonian Institution, will consider anthropology (physical anthropology, ethnology, and archeology). Section two, under the chairmanship of Dr. Robert S. Woodward, President of the Carnegie Institution at Washington, will consider astronomy and geodesy, meteorology (general weather phenomena and forecasting), and seismology (particularly as affecting Pan-American countries).

Section three is under the chairmanship of George M. Rommel, Chief of the Animal Husbandry Division of the Bureau of Animal Industry, Department of Agriculture. It will consider the conservation of natural resources, agriculture, irrigation and forestry. Section four is devoted to education; (1) public education in a democracy; (2) international education; (3) technical education. It is presided over by Dr. Philander P. Claxton, national Commissioner of Education. Section five, which will be presided over by



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Assistant Secretary of State Phillips

Who represents the United States.



Brig. General W. H. Bixby (U. S. A. Retired) will consider engineering and its relation to transportation by land and water, its electrical development, its connection with sanitation as well as mechanical engineering and municipal water supplies.

International law, public law, and jurisprudence, will make up the deliberations of section six, under the chairmanship of Dr. James Brown Scott, Secretary of the Carnegie Endowment for International Peace. Section seven under the chairmanship of Mr. Hennen Jennings, former President of the London Institution of Mining and Metallurgy, will consider mining, metallurgy, economic geology and applied chemistry. General William C. Gorgas, Surgeon General, U. S. A., and sanitation expert of the Panama Canal Zone, will preside over section eight which deals with public health and medical science. The final section, nine, on transportation, commerce, finance and taxation will be presided over by Dr. Leo S. Rowe, President of the American Academy of Political and Social Science and Secretary General of the Pan American Financial Conference held in Washington last May.

#### *The Congress of Americanists*

It has been arranged that the Nineteenth International Congress of Americanists is to meet in Washington during the same week with the Pan American Scientific Congress, so that joint conferences can be held for the discussion of subjects of common interest to the members of the two organizations. This can be done particularly well in connection with anthropology since this subject is one feature in which members of both congresses are particularly interested. The joint committee of the two bodies is getting up a program for merging certain sessions. The Americanists Congress, which grew out of a gathering of French

scientists interested in Americana, organized in Paris as far back as 1857, concerns itself especially with American problems and more particularly with those that relate to the aboriginal peoples of this continent. Its discussions, however, extend also to history, geography, institutions and government. The President of the Americanists Congress is the Hon. John W. Foster, Ex-Secretary of State, diplomat and author. The sessions of the Congress will be held in the New National Museum.

#### *American Society of International Law*

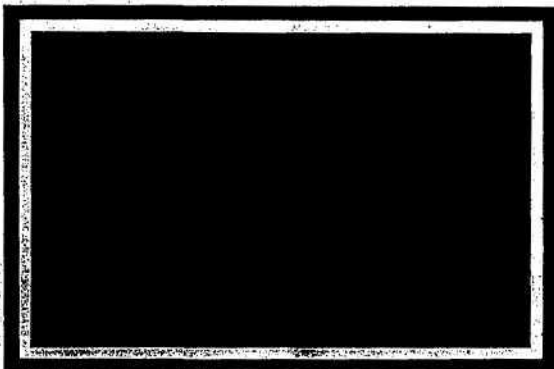
In connection with the meetings of Section six of the Scientific Congress, the American Society of International

#### *Subjects for Special Conference*

In addition to the general topics laid down in the preliminary program of the Scientific Congress these special topics will be discussed in a series of conferences, one on each topic.

The desirability of uniform laws throughout the Pan American countries for the protection of antiquities, the systematic promotion of anthropological research, and the collection and scientific treatment of museum materials; present condition, needs, and prospects of meteorological and seismological work in each of the participating countries; conservation of the natural resources of a nation through government ownership and control; a national forest policy; governmental participation in irrigation development; the prevention and eradication of destructive diseases of animals; Pan American cooperation in plant quar-

antine; the effect of the Panama Canal upon the distribution of farm products; to what extent should elementary education be supported by local taxation, and to what extent by State taxation? To what extent is an exchange of students and professors between American republics desirable? What preparation should be required for admission to medical schools? What preparation should be required for admission to State and national colleges of agriculture? What should be the place of industrial education in the school system of the American republics? How can a nation prepare in the most effective manner its young men for a business career that is to be pursued at home or in a foreign country? The desirability and practicability of establishing a uniform railroad gauge in Pan America; are there specific American problems of international law? The mining laws of each country; progress of vital statistics in Pan American countries; the relation of central to local control in the regulation of public utilities; is it desirable and possible to establish uniform rates, methods, and classifications in port charges, customs regulations, and classifications between the North, Central, and South American republics? The relation of public finance to private credit in Latin America; the problems of international exchange (monetary) and the means best adapted to establish direct exchange between the countries of the American Continent.



*The Splendid Hall of the Americas in the Pan American Union Building in Which the Congress Will Deliberate*

Law, will hold its Ninth Annual Session. This Society, of which Elihu Root is President, has already the attention of the world by its deliberations. It is hoped that, in connection with this section, the American Institute of International Law, composed of representatives of the different national societies in the Pan American countries, may be formally inaugurated and hold its first session upon this occasion. It is believed that in this way, international law, consisting not merely of the rights but of the duties of nations, will be brought home to the peoples of the different countries through the national societies composed of persons interested in the subject, and competent to expound and popularize them.

prepare in the most effective manner its young men for a business career that is to be pursued at home or in a foreign country? The desirability and practicability of establishing a uniform railroad gauge in Pan America; are there specific American problems of international law? The mining laws of each country; progress of vital statistics in Pan American countries; the relation of central to local control in the regulation of public utilities; is it desirable and possible to establish uniform rates, methods, and classifications in port charges, customs regulations, and classifications between the North, Central, and South American republics? The relation of public finance to private credit in Latin America; the problems of international exchange (monetary) and the means best adapted to establish direct exchange between the countries of the American Continent.



# WITH THE ORGANIZATIONS

## The Question of Membership and Dues

OF the many problems with which commercial organizations have to deal, that of revenue is one of the most perplexing. Are the amount and character of membership dues arbitrary matters, or can they be adjusted, on a scientific basis? Should there be one fixed rate for all members, or should dues be graded according to service? Should dues be high or low, or is there a happy medium that will produce the best results in members, personnel and revenue?

It will not do to answer that the problem is different in the different cities, and that each one has to work it out in accordance with local conditions. That may, or may not be so. It may seem that it has yet to be proved.

### Some Significant Figures

A letter was recently received from a commercial organization in a middle west city of about 35,000 population, stating that its annual membership dues were \$12, that it was about to reorganize and was considering increasing its dues to \$25. It wanted to know if dues of \$25 per annum had been found successful by other organizations.

An investigation discovered 53 organizations with \$25 dues in cities approximating 35,000 population. Of these 12 reported from 500 to 800 members, 23 claim from 250 to 500 members, and 18 credit themselves with a membership of from 100 to 250.

This investigation naturally led to a consideration of dues and membership in organizations in cities approximating 35,000 population where dues charged are \$12 a year. There are many more of these than of the other, but a comparison seemed to develop the fact that dues revenue is more satisfactory in organizations in cities of the class named, where dues are \$25 a year than they are where the charge is \$12, and there is no very great difference in membership as between the two.

It is interesting to note how this matter of higher rate of dues applies in the larger cities. In a table made of 15 organizations having a membership of 2,000 or over, including cities of the largest population, 4 have dues of \$50, 6 have \$25, 2 have graduated dues, 1 has \$12 and 2 have \$5. One of these organizations has very recently raised its dues from \$25 to \$40 and reports that it accomplished this with no appreciable falling off in membership.

In these, as in cities approximating 35,000 population, the largest reported dues revenue is obtained by those organizations having the highest rate of dues. Omitting one organization with low dues, reporting a membership obtained as a result of and immediately after a most intensive membership campaign, we find that the largest membership is in a \$25 organization and that this is only slightly greater than in two \$50 organizations.

### How The Figures Work Out

Following is a table of organizations having a membership of from 1,000 to 2,000:

Population.	Dues.	Membership.
125,000	\$30	1,712
170,000	25	1,571
225,000	25	1,897
165,000	25	1,213
135,000	24	1,530
235,000	20	1,120
135,000	12	1,000
215,000	12	1,600
134,000	10	1,145
101,000	10	1,140

Five organizations not included in the table, have graduated dues. One has a minimum of \$25, three have a minimum of \$10, and one of \$1. The memberships are 1,064 for \$25 minimum, 1,149, 1,513 and 1,119 respectively for the \$10 minimum, and 1,046 for the \$1 minimum. In all cases the income from dues reported is very considerably in excess of what would be obtained from a flat rate at the minimum.

There are 50 cities reporting organizations with memberships of from 500 to 1,000. For purpose of comparison we select the organizations having those rates of dues common to the largest number, beginning with the highest.

Population.	Dues.	Membership.
84,000	\$50	854
38,000	25	630
87,000	25	800
125,000	25	525
79,000	25	685
11,000	25	603
96,000	25	702
44,000	25	652
331,000	20	600
52,000	20	950
129,000	20	985
45,000	12	785
24,000	12	850
14,000	12	500
29,000	10	750
68,000	10	750
20,000	10	705
127,000	10	600
28,000	10	500
15,000	10	619
97,000	10	800
31,000	10	650
18,000	10	765

A glance at this would seem to indicate that there is no loss of membership owing to the higher rate of dues.

Dues are for the purpose of producing income. At what amount should they be fixed so that sufficient revenue can be derived without forcing a limitation of membership and injuring the democracy of the organization? The figures given would seem to indicate that the organization having sufficient funds properly to conduct its work, is comparatively much stronger in membership than an organization otherwise equipped financially, even though the latter's dues are far lower.

Would it not seem then, that the rate of dues should be fixed at a figure that would produce funds sufficient to enable the organization to do its work properly, and that the thing to be determined first would be what the work is to be and what it will cost to do it? Perhaps membership support is not so much a matter of the amount of dues so long as they are within reason, as public information regarding the work

to be done and interest in that work, coupled with public confidence in the ability of the organization to do what it undertakes.

#### Putting a Practical Question

If the work requires an annual budget of \$10,000, for instance, what number of members producing this amount will give the best working results, be easiest to maintain and be most susceptible of increase as the growth and demands of the city increase? Shall it be 400 at \$25, or a larger number at a lesser amount? As the budget demands grow from year to year shall the requirements be 40 new members at \$25 for each \$1,000 increase or 50 at \$20, or 100 at \$10? If the budget requires \$100,000, which is best for the organization, a membership that will produce this amount at \$25 or a membership that would produce it at \$50? Which of these memberships can be maintained at its strength and admit of normal increase with the least expenditure of time and effort on the part of the membership committee? Is there a certain rate of dues in cities of a class that will produce adequate revenue, make for a representative membership, and be capable of being recruited without undue effort, and, if so, what is that rate?

#### A New Plea for Early Christmas Shopping

A letter has been received from the Chamber of Commerce of McKeesport, Pa., stating that it has combined with the Young Women's Christian Association to secure early shopping and that they have effected a uniform closing agreement among the merchants for the holiday season, and for the first time in the history of McKeesport. Under this agreement all stores in the city will be open for ten evenings preceding the day of Christmas itself.

The closing hour on those ten evenings is to be 9.30 o'clock. Merchants are using stickers on all their packages, club women and society women are placing them on their stationery, business houses are sending them out with their monthly statements and the newspapers are giving publicity to the cut of the sticker.

#### Results of Cincinnati's Clean-up Campaign

THE Cincinnati Chamber of Commerce has issued a 48-page booklet devoted entirely to clean up and paint up campaigns, and stating in the announcement that the purpose of the publication is to inform the people of Cincinnati, to present the results of experience to Chambers of Commerce in other cities, and to inspire suggestions as to improved methods and new points of attack for live organizations of this kind.

As a result of letters sent out in the 1914 campaign, representatives of many organizations and of the city government met and appointed a committee which laid out a plan of organization coextensive with school districts, as nearly uniform as was possible in character and requiring the work in each district to be done by the people of the district, the campaign to extend over a number of weeks and to be followed by a general inspection of the buildings.

District meetings were held in school buildings, speakers were provided, the newspaper press cooperated and buttons and circulars were distributed freely among all those present.

As a result of this campaign it is stated that hundreds of unsightly lots gave place to school gardens, homes were renovated that were never renovated before, a great reduction of flies took place, over 100 dangerous buildings were razed by the State Fire Marshal, and school children were instructed in a better idea of living conditions.

The 1915 campaign went more thoroughly into the matter, and this time the work was placed in the hands of a committee appointed by the Chamber of Commerce.

Some of the re-

sults achieved are stated to be a great reduction in fire loss and a lowering of rates that effected a saving of over \$160,000, elimination of public dumps, further development of school and home gardens, cleaner alleys and better housing conditions.

#### The National Young Men's Business Club

DELEGATES from fifteen Young Men's Business Clubs representing seven cities met in Cleveland, October 28 to 30, and organized the Young Men's Business Clubs of America. The states represented were Ohio, New York, Colorado, Louisiana, Pennsylvania, Mississippi and New Jersey. The purposes of the organization were stated to be the development and education of its members through the discussion and study of business and civic principles. The officers elected for the first year were President, B. E. Skeel, Cleveland; First Vice-President, Kenneth E. Banks, Pittsburgh; Second Vice-President, E. H. Wooden, Lamar, Colorado; Third Vice-President, Gerrish Gassaway, New Orleans; Treasurer, E. V. Newton, Canton, Ohio; Secretary, H. W. Steinkraus, Cleveland. The next convention will be held at Jackson, Mississippi, October 10 and 11, 1916, and will then adjourn to New Orleans for additional sessions on the 12th and 13th.

The Young Men's Business Club of Cleveland, which originated and directed the movement for a National Organization, has a clubhouse in the residence section of the city and has arranged a series of winter evening talks by successful business men on the elements entering into a successful business career.

#### Knoxville's Busy Junior Board of Commerce

IN November, 1914, a Junior Board of Commerce was organized in Knoxville, Tennessee. At the first anniversary, last month, the number had grown to 230. The membership is confined to boys between the ages of 14 and 21, and the purpose of the organization is stated to be to instill into the minds of the youths of the community civic and economic ideas, to create in them respect for honest and efficient service, and to train them for the obligations and responsibilities of



Home of the Cincinnati Chamber.



citizenship. The Knoxville Board of Commerce turns over to the Junior Board the work of collecting delinquent dues, and grants them 10 per cent for collection, with the understanding that all commissions shall be paid into the Junior Board's treasury and be used solely for defraying the expenses.

### How Madison Looks After the Children

THE Board of Trade of Madison, Wisconsin, has just issued a report covering the whole scope of play and recreation in that city. The report says that despite its four beautiful lakes, considerable park areas and many driveways, Madison has been developing certain tendencies which characterize other American cities, such as bad housing, congested population, lack of play space in the vicinity of homes, dangerous traffic streets and railroad tracks where children are forced to conduct their games. It is proposed to remedy this and also to provide gymnasiums, natatoriums, social clubs, play rooms and reading rooms for winter and bad weather.

A survey map has been prepared showing the geographical distribution of children of school age, each child being indicated by a dot upon the lot on which it lives, three different characters of dots being used to designate the approximate ages of the children. Another map shows, to scale, all buildings within the parts of the city surveyed.

In order that the survey may become of immediate practical value and serve as a basis for permanent constructive effort, the report recommends the appointment by the Board of Commerce of a committee to be known as the Madison Central Play and Recreation Committee. It is further recommended that the committee be approved by the City Park, school, church and charity officials to the end of securing their cooperation, and that this general committee organize groups of activities, including physical culture and outing, musical, dramatics, pageants and special celebrations and individual and domestic recreation.

### St. Louis Business Men Learning Commercial Spanish

ANOTHER organization to follow up its recognition of trade possibilities among Spanish speaking peoples with a practical method of promotion, is the Business Men's League of St. Louis, which has started a Spanish class for members of the League and their representatives. The class meets twice a week. The first session was attended by 60 students. It is stated that, during the past year, the number of students in St. Louis studying Spanish has increased 300 per cent and that there are now 2,500 students of Spanish in the city. This Spanish class of business men is particularly interesting in connection with the announcement that St. Louis is going to

the house organ was a logical and necessary complement to a successful community organization and that it had come to stay. A complete file of Sheboygan *Commerce*, the official Gazette of the Sheboygan Association of Commerce, has just come to hand. It is a monthly publication, and the initial number issued last March makes the following announcement by the President, Mr. E. W. Schulta, which is worthy of being widely read.

"Every association member and every other Sheboygan citizen who glances at the columns of this paper will sense a movement of a large and representative body, under effectual organization and with significant collective purposes, keeping step with the march of progress."

The issues we have received are along the line of statement made by the president of this enterprising commercial organization. They record activities in industrial expansion, discouragement of frauds, traffic improvement, ornamental street lighting, organization of credit bureau; improved housing conditions, foreign trade expansion and furnishing of the clubhouse. It is stated that the club, recognizing the importance of an official organ, is heartily supporting the publication.



The Children's Playground at Madison

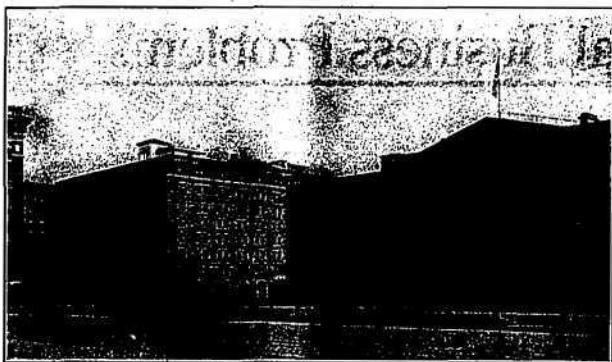
make special efforts during the coming winter to increase its trade with Spanish speaking countries, particularly Mexico. At least twenty-five men representing the leading industries of St. Louis plan to leave that city on December 1, visiting all important cities of Mexico in an endeavor to capture some of the large orders for supplies that will undoubtedly be needed to restock the shelves of Mexican merchants when the present period of chaos is over and Mexico becomes normal again.

### Concerning House Organs

AT the Annual Meeting of the National Association of Commercial Organization Secretaries at St. Louis in September last, a committee appointed the year before to investigate the subject, reported that

### Newspapers Versus House Organs

INSTEAD of publishing a bulletin of its activities the Association of Commerce of Joliet, Illinois, has arranged with one of the local newspapers to devote a half page weekly to its doings. In this way a much larger number of people is reached than could be through a house organ, and the association is put to no expense. The latest half-page clipping has to do with a variety of happenings written up in a newsy style. The subjects are of such general public interest that one is compelled to the belief that the public generally will read about what the association is doing. In this way also suggestions can be made that may lead to public and newspaper discussion in advance of the undertaking.



HOME OF THE NATIONAL CHAMBER, WASHINGTON—UNITED STATES TREASURY IN FOREGROUND

## REFERENDA TAKEN BY THE NATIONAL CHAMBER

### National Budget, November, 1912.

A practically unanimous vote in favor of the adoption of a National Budget.

### Permanent Tariff Commission, April, 1913.

Practically unanimous vote in favor of a Permanent Tariff Commission.

### On Exempting Labor and Agricultural Combinations from the Provisions of the Anti-trust Laws, April, 1913.

The members of the Chamber held by vote that this clause in the Sundry Civil Bill was a violation of the principles of equity and equal enforcement of law.

### Amendments to the Owen-Glass Currency Bill, August, 1913.

Some of the recommendations were adopted by Congress in passing the bill.

### Improving the Bureau of Foreign and Domestic Commerce, November, 1913.

Vote in favor—various separate questions.

### Bureau of Legislative Reference and Bill Drafting, November, 1913.

The vote urged the establishment by Congress of such a bureau, now in partial operation.

### Interstate Trade Commission, April, 1914.

The Government's bill was amended in accordance with a number of suggestions made by the Chamber.

### Legislation Regulating Business Practices, May, 1914.

This recommended changes in the Clayton Anti-trust bill. Most of these were incorporated in the law, although as passed, it contained certain clauses to which the Chamber objected.

### The Upbuilding of the Merchant Marine, May, 1915.

The vote put the Chamber on record as in favor of government subsidies, under certain conditions, as in favor of government subventions to mail and freight lines under the American flag, of the creation of a federal shipping board with power, of the amendment of the ocean mail law of 1891, of legislation abolishing deferred rebates and of federal licenses for all shipping, and as against the government purchasing, constructing, chartering, or operating vessels for mercantile purposes and against government ownership with operation by private owners.

### Second Referendum relative to extending the service of the Bureau of Foreign and Domestic Commerce, November, 1915.

The results of this referendum will be known on December 30.

### Suggested plan for preventing future war, November, 1915.

The results of this referendum will be known on December 30.

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